

A FRAMEWORK FOR BUSINESS MODEL INNOVATION: A CASE STUDY APPROACH

LIBRARY
UNIVERSITY OF MORATUWA, SRI LANKA
MORATUWA

By

Kasun Chandrasekara

Supervised by

Mr.Kithsiri Samarasinghe

This Dissertation was submitted to the Department of Management of Technology of the University of Moratuwa in partial fulfillment of the requirement for the Degree of Master of Business Administration.

Department of Management of Technology
University of Moratuwa
December 2008

University of Moratuwa



92408

92408

Abstract

Aim - Broad management research question of this research is, "How to innovate the existing business models of modern organizations to suit the complex and uncertain technology trends and other environmental trends in future business environment".

The objectives of the intended research are,

- (1) To explore the existing management literature and subsequently find the most appropriate *operational definition* and a *visualization tool* for a business model.
- (2) To clarify the scope and applications of *business model concept* and *business model innovation* concept within the conventional theories of business management.
- (3) To formulate a *framework for business model innovation* for modern business organizations focusing on future technology trends and other environmental trends.
- (4) To *evaluate* the *proposed framework* by applying it to a suitable industry case study.

Methodology -This research is an exploratory research where the theories and the applications related to the subjects under study which are the business model and the business model innovation are explored in order to gain a better understanding and subsequently find extensions to the existing theories. Firstly the evolution of concepts related to management disciplines such as strategic management and operations management are explored and discussed in order to clarify the cutting-edge scope and applications of the concepts under study. In the light of above analysis, a brief research is then carried out on how the techniques related to uncertainty and complexity can be combined with the clarified theoretical models in order to answer the broad management research question of this study. Next, a comprehensive framework for business model innovation is presented as the final research output. Finally this proposed framework will

be evaluated using an industry case study to demonstrate the practical application of the framework.

Scope - This research is limited to the formulation of a framework combining the modern management theories and the concept of business model innovation. However the testing of the proposed framework against some practical organizations is left as a further extension to this research.

Limitations - This research is limited by some constraints such as time, cost and resources required to access the full range of management literature related to the scope of the research.

Significance - Business model innovation has become an area of utmost importance in current business management researches due to rapidly changing and complex business environment today. Although many critiques, analysts, industry leaders and researchers point out the critical need of business model innovation and the significant benefits of doing so, all of them have faced the most difficult management research question, "How to do it ". Hence this research will benefit industry as well as academic researchers in two ways. Firstly by clarifying the scope and application of the concepts of business model and business model innovation within the conventional domain of management theories and secondly by proposing a comprehensive framework for business model innovation for modern organizations.

Theory - Theories of Business Models, Strategic Management, Supply Chain Management, Innovation Management, Technology Management and Business Economics.